

# Exhibit 96

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## PRO PE INDUSTRY NEWS

# Early Voting Shines Spotlight on Consolidated Voting-Equipment Market

Two private-equity-backed companies make the election equipment used by most U.S. voters



A voter made his choices during early voting in Decatur, Ga., on Oct. 12.

PHOTO: BEN GRAY/ASSOCIATED PRESS

By [Chris Cumming](#)

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Leveraged-buyout firms are playing a key role in the 2020 elections: Companies they own are counting the flood of mail-in ballots, and that isn't sitting well with some lawmakers.

Two private-equity-owned companies dominate the market for high-speed ballot scanners and other voting equipment. Lawmakers have raised questions about the lack of transparency and competition in the industry, and more broadly over the role of private-equity firms in elections.

Election Systems & Software LLC and Dominion Voting Systems Corp. together produce the technology used by over three-quarters of U.S. voters, according to a coming report by researchers at the Wharton School of the University of Pennsylvania. The third-largest player, Hart InterCivic, was owned by private-equity firm H.I.G. Capital from 2011 to this April, when it was quietly sold, according to H.I.G.

Private-equity firms “have taken over nearly all of the nation’s election technology—and how they do business is clouded in secrecy,” Sen. Elizabeth Warren (D., Mass.) said in an email.

Lawmakers including Sens. Warren and Amy Klobuchar (D., Minn.) in December wrote that the private-equity-backed voting companies’ lack of transparency threatens the integrity of elections.



A ballot was cast using an express voting machine during early voting in Appleton, Wis., on Oct. 20.

PHOTO: GABRIELA BHASKAR/REUTERS

Under private-equity ownership, the voting-machine market has consolidated through mergers. In a little over a decade, at least eight major vendors have consolidated to three, which control about 92% of the market, Wharton researchers said in 2017.

In every state and across the nation as a whole, the market for election vendors qualifies as “highly concentrated” under the measure used by the Justice Department and the Federal Trade Commission, the researchers found.

Some election officials aren’t happy with how consolidated the market has become, said Charles Stewart, a political-science professor at the Massachusetts Institute of Technology and member of the Caltech/MIT Voting Technology Project.

“There is a sense that the market is too small and that they don’t get from the vendors what they would like in terms of value,” he said. “It’s not quite an oligopoly, but it sometimes acts that way.”

In December, lawmakers including Sen. Warren asked the private-equity firms McCarthy Group, Staple Street Capital and H.I.G. Capital to provide information about the voting

companies they controlled, including revenues and budgets for research and maintaining their systems.

An aide for Sen. Warren says two of the firms didn't respond. Staple Street Capital replied but didn't provide all of the information requested, the aide said.



Sen. Elizabeth Warren (D., Mass.), shown speaking last month, has called for more information about the companies that make voting equipment.

PHOTO: AMANDA ANDRADE-RHOADES/BLOOMBERG NEWS

In its response, Staple Street said it is “fully aligned with [the] goal of understanding the ownership structures for privately held elections companies.” It disclosed that it generally spends between 10% and 20% of its revenue on research and development.

McCarthy Group, a buyout firm in Omaha, Neb., first invested in ES&S in 1987, while New York-based Staple Street bought Dominion Voting Systems in 2018. Hart InterCivic was acquired by its management team from H.I.G. Capital in April, according to a spokeswoman of the buyout firm. Hart didn't reply to inquiries.

In April, after lawmakers requested that it disclose its owners, Hart told the Committee on House Administration that in addition to H.I.G., an American citizen in Austin, Texas, owns at least 5% of the company. Hart didn't name the person or detail the size of the stake.

Voting companies deny they are opaque.

ES&S “fully, honestly and regularly answers questions about its operations, and proactively works to share information and educate about elections equipment,” and has invited lawmakers to inspect its equipment in person, a spokeswoman said.

“Dominion Voting Systems has been fully cooperative with Congress regarding the company and its products, responding to all inquiries, supplying regular member briefings and providing hours of public testimony,” a spokeswoman wrote.

McCarthy Group and Staple Street didn’t reply to inquiries from WSJ Pro Private Equity.

The shift to voting by mail has meant greater demand for the high-speed scanners these companies produce, which are used for counting large numbers of absentee ballots. Early tallies suggest mail-in ballots are surging, and up to 70% of votes could be cast by mail this year, compared with 23% in 2018, according to an estimate by the Bipartisan Policy Center, a Washington-based think tank.

After widespread problems were reported in this year’s primary elections, many districts invested in high-speed scanners for an expected surge of mailed ballots in the November elections, said Amber McReynolds, chief executive of the National Vote at Home Institute, a nonprofit that advocates mail-in voting, and the former director of elections for Denver.

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“Following the primaries, a lot of states had to make adjustments and learn hard lessons,” said Ms. McReynolds.

A spokeswoman for ES&S said the company has worked with customers to assess their needs and has at least tripled their capacity for counting mail-in ballots since the last presidential election.

Claire Woodall-Vogg, the executive director of the City of Milwaukee Election Commission, said she was first told by ES&S that additional equipment for counting mail-in votes was unavailable, but the company later provided five more high-speed scanners.

MIT’s Mr. Stewart said he was concerned during the spring and summer that many districts delayed ordering equipment, but said it appeared that most have increased vote-counting capacity by now.

“I think things are coming together, but we’re about to find out,” he said.

Write to Chris Cumming at [chris.cumming@wsj.com](mailto:chris.cumming@wsj.com)

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